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Senate

CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR THE FISCAL YEARS 2001--2011

Mr. CARPER. Mr. President, this budget resolution includes a proposal to require new Federal fees on State-chartered banks and bank holding companies. The amendment that I am offering with Senator ENZI would strike these unnecessary and inequitable fees from the budget.

Currently, the exam fee structure for both federally and State-chartered banks is identical: federally chartered banks pay the Federal Government for their examinations, and State-chartered banks pay States for theirs. Charging State-chartered banks a fee on top of what they already pay does not increase safety and soundness or provide for additional exams. These fees only increase the Federal fisc at the expense of the State banking system.

We have seen State-chartered banks be engines of innovation. As a former Governor, I believe this is one of the great values of our dual banking system. Under this system, States and the Federal Government independently charter and regulate financial institutions. A key benefit of our dual banking system is that it provides for innovations at both the State and Federal level. In fact, State initiatives have spurred most advances in U.S. bank products and services. Everything from

checking accounts to adjustable-rate mortgages, from electronic funds transfers to the powers and structures endorsed by Gramm-Leach-Bliley, originated at the State level. State-chartered banks also play an important role in credit availability and economic development. Additional Federal fees for State banks would stifle the innovation taking place at the State level. The very innovation which benefits all consumers by providing competition and creativity in the marketplace.

On seven prior occasions, Congress has wisely rejected these Federal fee proposals. Last week, the House refused to include these fees in its budget resolution. The Senate Banking Committee also opposed these fees in its views to the Budget Committee. In addition, the American Bankers Association, America's Community Bankers, the Conference of State Bank Supervisors, the Independent Community Bankers of America, the Financial Services Roundtable, National Conference of State Legislatures, and the National Governors Association all oppose these new fees on State-chartered institutions.

I urge you to support the dual banking system and vote for this amendment to strike these harmful Federal fees.